



**MINUTES  
FINANCE COMMISSION  
REGULAR MEETING  
November 6, 2017**

City Council Chamber  
1 Civic Center Plaza  
Irvine, CA 92606

**CALL TO ORDER – 5:30 p.m.**

**ROLL CALL**

PRESENT: 5	Commissioner:	Dressler
	Commissioner:	Reyno
	Commissioner:	Sievers
	Vice Chair:	Bartlett
	Chair:	Stein

**PLEDGE OF ALLEGIANCE**

Vice Chair Bartlett led the Pledge of Allegiance.

**INTRODUCTIONS**

There were no introductions.

**ANNOUNCEMENTS**

Kristin Griffith, Director of Administrative Services, introduced Kristine Swensson, new Manager of Budget and Business Planning.

**PRESENTATIONS**

There were no presentations.

**COMMITTEE REPORTS**

There were no committee reports.

**ADDITIONS AND DELETIONS TO THE AGENDA**

There were no additions or deletions.

**PUBLIC COMMENTS**

There were no public comments.

**CONSENT CALENDAR**

**ACTION: Moved by Vice Chair Bartlett, seconded by Commissioner Dressler, and unanimously carried to approve Consent Calendar Items 1-3.**

**1. MINUTES**

Approved the minutes of a regular meeting of the Finance Commission held on September 18, 2017.

**2. AIR QUALITY IMPROVEMENT SPECIAL REVENUE FUND AUDIT FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Recommended City Council receive and file.

**3. SINGLE AUDIT OF FEDERALLY ASSISTED GRANT PROGRAMS FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Recommended the City Council receive and file.

**COMMISSION BUSINESS**

**4. TREASURER'S REPORT FOR THE QUARTER ENDED SEPTEMBER 30, 2017**

Don Collins, City Treasurer, presented the report and was available to answer questions.

There was no Finance Commission discussion.

**ACTION: Moved by Chair Sievers, seconded by Vice Chair Bartlett, and unanimously carried, to:**

Recommend that the City Council receive and file the Treasurer's Report for the quarter ended September 30, 2017.

**5. COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2017 AND AUDITORS' COMMUNICATION**

Teri Washle, Finance Officer, presented the report and answered questions. Bob Callanan, Audit & Tax Partner, White Nelson Diehl Evans, and Kristin Griffith, Director of Administrative Services, were also present and answered questions.

Commission discussion included: Government Accounting Standards Board (GASB) 68 pronouncements and the lag in evaluation dates for CalPERS; net plan assets vs.

percentage of covered payroll; unfunded pension liability; and an explanation of the deficiencies found in the audit.

**ACTION: Moved by Commissioner Dressler, seconded by Commissioner Sievers, and unanimously carried, to:**

Recommend the City Council receive and file.

**6. ORANGE COUNTY GREAT PARK FUNDS FINANCIAL STATEMENT AUDIT – FISCAL YEAR 2016-17**

Roger Galli, Budget Officer, presented the report and answered questions. Kristin Griffith, Director of Administrative Services, Teri Washle, Finance Officer, and Bob Callanan, Audit & Tax Partner, White Nelson Diehl Evans, were also present and answered questions.

Commission discussion included: including Management Discussion and Analysis Information in future OCGP Financial Statements; and an update on the Department of Finance (DOF) funds.

**ACTION: Moved by Commissioner Reyno, seconded by Vice Chair Bartlett, and unanimously carried, to:**

Recommend the City Council receive and file.

**7. FISCAL YEAR 2016-17 CAPITAL IMPROVEMENT AND SPECIAL FUNDS YEAR-END REPORT**

Teri Washle, Finance Officer, presented the report and answered questions. Andy Do, Senior Accountant, was also available for questions. Kristin Griffith, Director of Administrative Services, and Jay Ponce, Senior Management Analyst, were also present and answered questions.

Commission discussion included: the reason for cost savings in Fund 271 (Barranca: Redhill to SR55); how much of the \$3 million from the Infrastructure and Rehabilitation fund is already restricted for street related projects; identifying the needs/timing of the Transportation Department's plans to improve traffic flow; and including the Transportation Commission's input on financial decisions for future street projects.

**ACTION: Moved by Commissioner Sievers, seconded by Commissioner Reyno, and unanimously carried, to:**

- 1) Recommend the City Council approve the closure of 38 completed projects with \$91.2 million in expenditures and release appropriations of \$5.8 million in applicable special funds.
- 2) Recommend the City Council approve the continuation of 207 Special District and City administered capital projects with budgets totaling

- \$303.7 million to Fiscal Year 2017-18.
- 3) Recommend the City Council approve reserving \$3 million of Infrastructure and Rehabilitation funding received from the Bowerman Landfill Extension Agreement for future street related projects.
  - 4) Recommend the City Council approve a \$3.3 million net appropriation to inter-fund transfers for open capital projects among various special and capital project funds.
  - 5) Recommend the City Council approve funding for outstanding purchase orders and continuing activities in the Special Funds totaling \$4.4 million.
  - 6) Recommend the City Council receive and file Community Facility District (CFD) annual reports for CFD 2004-1 Central Park, CFD 2005-2 Columbus Grove and CFD 2013-3 Great Park.

**8. FISCAL YEAR 2017-18 Q1 BUDGET UPDATE**

Roger Galli, Budget Officer, presented the report and answered questions. Kristin Griffith, Director of Administrative Services, and Khaled Tawfik, Chief Information Office, were also present and answered questions.

Commission discussion included: the variance in total expenditures; an update on the vacancy rate and the process and timing of filling positions; estimated savings and Return on Investment of IT expenditures and the economic viability of new projects; and including prior year actuals for large projects in the year-to-date summary.

**ACTION: Moved by Commissioner Dressler, seconded by Commissioner Reyno, and unanimously carried, to:**

Receive and file the Fiscal Year 2017-18 Q1 Budget Update.

**9. FISCAL YEAR 2016-17 GENERAL FUND YEAR-END REPORT**

Kristin Griffith, Director of Administrative Services, presented the report and answered questions. Amy Roblyer, Senior Management Analyst, was also present and answered questions.

Commission discussion included: the CalPERS prepayment for unfunded liability and the overall savings; and reasons for the decrease in sales tax revenue and the revenue the City receives from online sales.

**ACTION: Moved by Vice Chair Bartlett, seconded by Commissioner Sievers, and unanimously carried, to:**

- 1) Recommend the City Council approve a budget adjustment to transfer \$3,739,685 of year-end General Fund balance to the Asset Management Plan Fund in accordance with the Accelerated Pension Liability Paydown Plan, adopted by the City Council on June 25, 2013.

- 2) Recommend the City Council approve a budget adjustment allocating \$172,187 of year-end General Fund balance for outstanding encumbrances and Purchase Orders that were not completed by the end of the fiscal year.

**ADJOURNMENT**

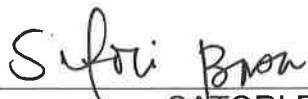
By consensus, Chair Stein adjourned the meeting at 7:08 p.m.



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RUSSELL STEIN  
CHAIR



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KRISTIN GRIFFITH  
DIRECTOR OF  
ADMINISTRATIVE SERVICES



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SATORI BASA  
RECORDING SECRETARY

12/18/17

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DATE APPROVED